

Lancashire Holdings Limited
14 August 2007

Director Shareholding

Lancashire Holdings Limited (the 'Company') has been notified that Neil McConachie, executive director and Chief Financial Officer, yesterday exercised warrants over 500,000 common shares of US\$0.50 each in the Company by way of cashless exercise. Pursuant to the terms of the warrants the exercise price is \$5.00 and the cashless exercise sale price is \$7.10 (based on a market value 5 day average) resulting in 148,025 shares. Neil McConachie's total shareholding in the Company following the warrant exercise and the subsequent issue of shares will be 175,525 shares.

For further information, please contact:

Lancashire Holdings
Greg Lunn +1 441 278 8953

Financial Dynamics +44 20 7269 7114
Robert Bailhache

www.lancashiregroup.com

About Lancashire

Lancashire, through its UK and Bermuda-based insurance subsidiaries, is a global provider of specialty insurance products. Its insurance subsidiaries carry the Lancashire group rating of A minus (Excellent) from A.M. Best with a stable outlook. Lancashire has capital in excess of US\$1 billion and its common shares trade on AIM under the ticker symbol LRE. Lancashire is headquartered at Mintflower Place, 8 Par-La-Ville Road, Hamilton HM 08, Bermuda. The mailing address is Lancashire Holdings Limited, P.O. Box HM 2358, Hamilton HM HX, Bermuda. For more information on Lancashire, visit the Company's website at www.lancashiregroup.com.